

Department of Social and Health Services

**DP Code/Title: PL-LK Office of the Future**  
**Program Level - 110 Admin & Supporting Svcs**

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Budget Period: 2003-05    Version: 11    2003-05 Agency Request Budget

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**Recommendation Summary Text:**

This is a request for the acquisition and installation costs of state-of-the-art office furnishings configured to increase productive use of office space in Office Building-Two (OB-2). This acquisition permits a reduction in other lease costs.

**Fiscal Detail:**

**Operating Expenditures**

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Program 110</b>			
001-1 General Fund - Basic Account-State	0	2,059,000	2,059,000
001-2 General Fund - Basic Account-Federal	0	112,000	112,000
001-A General Fund - Basic Account-DSHS Fam Support/Chi	0	207,000	207,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	0	622,000	622,000
<b>Total Cost</b>	<b>0</b>	<b>3,000,000</b>	<b>3,000,000</b>

**Staffing**

**Package Description:**

Technology has revolutionized the way people work. Work processes have become more team oriented, real estate costs are continually rising, and regional infrastructures are stretched to the breaking point. Offices must be designed to support change. "Office of the Future" furnishings and office designs incorporate and allow for maximum flexibility and easy adaptation. "Office of the Future" utilizes components that are compatible, comfortable and innovative enough to accommodate the wide variances of persons occupying the space. This new technology integrates the telecommunication and network computer technology of today with space efficiencies realized through better understanding of ergonomic necessities and people's work needs. The office of the future concept offers a more efficient, effective use of space by sharing resource areas and minimizing cubicle sprawl.

Currently, the Department of Social and Health Services (DSHS) occupies 170,343 square feet of OB-2 accommodating approximately 800-850 staff (200 square feet per person). DSHS could comfortably accommodate 1,000 or more staff after reconfigured with the "Office of the Future" furnishings and design. Better space utilization would permit the department to eliminate one or more leases. OB-2 would set an example and begin similar improvement process for other facilities occupied by DSHS.

This is being proposed now due to seismic upgrade construction in OB-2 starting in mid Fiscal Year 2004 that will necessitate temporary relocation of staff. The transition will be the most cost-effective and least disruptive time to institute these efficiencies. More importantly, once this reconfiguration is complete, late Fiscal Year 2006, the department will be able to realize an ongoing annual lease savings of \$988,218 beginning in Fiscal Year 2007.

**Narrative Justification and Impact Statement**

***How contributes to strategic plan:***

For the department and the division, one of the strategic plan and balanced scorecard goals centers on improving business practices. This decision package addresses this goal, by capitalizing on modern efficiencies permitting better space utilization and a long-term cost savings by reducing the amount of office space leased.

***Performance Measure Detail***

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**Goal:**

**Incremental Changes**

**FY 1**

**FY 2**

***Reason for change:***

The temporary relocations necessitated by the OB-2 seismic construction project provides an unusual opportunity to effect rapid improvements in how DSHS uses the building. Current furnishings and office configurations have two substantial problems: 1) Our current assemblage of five different cubicle furnishing types is incompatible. This incompatibility denies the ability to respond rapidly to office reconfiguration and to minimize furnishing purchases, and 2) DSHS office designs and furnishings are 25 to 30 years old and no longer efficient in maximizing space usage and accommodating the new e-commerce work environment.

***Impact on clients and services:***

These changes will help ensure program service delivery to clients and coordination with vendors and other stakeholders. It also positions DSHS for current and future best business practices provided in the most cost-efficient manner.

***Impact on other state programs:***

This office reconfiguration may eventually impact all DSHS programs. The initial change would directly impact current OB-2 housed programs and other units that may be relocated to the building.

***Relationship to capital budget:***

Not applicable

***Required changes to existing RCW, WAC, contract, or plan:***

Not applicable

***Alternatives explored by agency:***

The only other alternative would be to utilize current office configuration. This is less efficient and limits the department's ability to reduce lease-space costs in the future.

***Budget impacts in future biennia:***

The construction is projected to last 24 to 48 months and will cross biennia. This request is for half the equipment purchase (\$3,000,000) in the 2003-05 Biennium. The other half (\$3,000,000) would be needed early in the 2005-07 Biennium.

***Distinction between one-time and ongoing costs:***

All costs for the 2003-05 Biennium and the 2005-07 Biennium are one-time.

***Effects of non-funding:***

Without these funds, DSHS would not be able to consolidate and increase its space-use efficiencies.

***Expenditure Calculations and Assumptions:***

See attachment - ASD PL-LK Office of the Future.xls

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<b><u>Object Detail</u></b>	<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
<b>Program 110 Objects</b>			
J Capital Outlays	0	3,000,000	3,000,000

**DSHS Source Code Detail**

<b>Program 110</b>	<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
<b>Fund 001-1, General Fund - Basic Account-State</b>			
<b><u>Sources</u> <u>Title</u></b>			
0011 General Fund State	0	2,059,000	2,059,000
<i>Total for Fund 001-1</i>	<b>0</b>	<b>2,059,000</b>	<b>2,059,000</b>
<b>Fund 001-2, General Fund - Basic Account-Federal</b>			
<b><u>Sources</u> <u>Title</u></b>			
001B Social Security Disability Ins (100%)	0	47,000	47,000
E61L Food Stamp Program (50%)	0	65,000	65,000
<i>Total for Fund 001-2</i>	<b>0</b>	<b>112,000</b>	<b>112,000</b>
<b>Fund 001-A, General Fund - Basic Account-DSHS Fam Support/Chi</b>			
<b><u>Sources</u> <u>Title</u></b>			
563I Title IV-D Child Support Enforcement (A) (66%)	0	152,000	152,000
658L Title IV-E-Foster Care (50%)	0	51,000	51,000
659L Title IV-E Adoption Assistance (50%)	0	4,000	4,000
<i>Total for Fund 001-A</i>	<b>0</b>	<b>207,000</b>	<b>207,000</b>
<b>Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa</b>			
<b><u>Sources</u> <u>Title</u></b>			
19UL Title XIX Admin (50%)	0	622,000	622,000
<i>Total for Fund 001-C</i>	<b>0</b>	<b>622,000</b>	<b>622,000</b>
<b>Total Program 110</b>	<b>0</b>	<b>3,000,000</b>	<b>3,000,000</b>